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SOCIOECONOMIC STATUS, ETHNIC GAPS AND DISCRIMINATORY BEHAVIOUR IN THE LABOUR MARKET: THE EUROPEAN REGIONS HETEROGENEITY

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ABSTRACT

This work examines any ethnic gaps between self-identified ethnic minorities and the majority of the population across Western European regions, taking into consideration the variations within native population and ethnic minorities due to family background (i.e., parents' education and occupation). The analysis shows that self-identified ethnic minorities and national majorities have significantly different socioeconomic levels; the observed ethnic gaps cannot be fully explained by individual educational attainment, family history, or challenges related to migration. Estimates of multilevel models have been made, with the individual outcome in terms of socioeconomic position and education as the dependent variable. Micro data from the European Social Survey are used in this investigation. The findings show that overestimating any ethnic gaps may result from ignoring social origins: parents with high socioeconomic status may better target their children in their decision-making, which may imply further disadvantages for ethnic minorities, particularly for the offspring of migrants who typically have low social origins. The findings also highlight how little intergenerational mobility there is in Europe.

KEYWORDS

migration, human development, labour, well being

INTRODUCTION

The ethnic mix of many European countries³ has rapidly increased due to the migration of people from less developed to more developed countries over the past few decades. As a result, more research is now required to determine whether and to what extent members of ethnic minorities are integrated into the labor market and host society (Alba et al., 2011). In addition to wasting money and creating inefficiencies, discrimination of any kind regarding employment and educational opportunities is a serious public health risk since it weakens social cohesiveness and can lead to social instability.

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The majority of recent empirical findings show that people of ethnic minorities face considerable, occasionally severe barriers to obtaining higher education and employment opportunities (Hehewisch, Liepmann, 2013, Kim, 2013, Kahanec et al., 2010 summarize the results for European countries). The severity of these drawbacks differs by nation and ethnic group, as is to be expected. The primary characteristic, though, is the variation in the data and approaches employed by the various research to gauge any ethnic prejudice.

Some studies focus solely on comparing the average employment outcomes or socio-economic conditions of immigrants, ethnic minorities, and natives, while others take into account additional factors such as age and education levels (Borjas, 1990, 1995, Adsera, Chiswick, 2007, Cheung, Heath, 2007, Kahanec, Zaiceva, 2009, Kahanec et al., 2010, Kahanec, Zimmerman, 2010). Lefranc (2010) also considers family background in the French labor market to illustrate the various social and economic factors that can contribute to ethnic disadvantages.

In this context, the primary challenge for researchers is defining and measuring "ethnicity." The term "ethnic minority" can include both immigrants and their offspring, as well as indigenous minority groups who have not been absorbed into the larger population. Max Weber (1978, p. 389) defines ethnic groups as those "human groups that entertain a subjective belief in their common descent because of similarities of physical type or of customs or both, or because of memories of colonization and migration" (see also, Heath, Cheung, 2007).

Considering this definition, there are challenges in accurately measuring ethnicity. For instance, using individuals' and parents' birthplaces can be misleading, as children of ex-colonists may be mistaken for indigenous populations (Lefranc, 2010). Additionally, many migrant-sending countries have diverse ethnicities, such as India with its numerous linguistic and ethnic groups. Relying on nationality alone does not distinguish naturalized citizens' ethnic origins. Self-reporting ancestry may also be biased, as some ancestries may be stigmatized and individuals may choose to conceal them (Heath, Cheung, 2007).

The further limitation for researchers in this context is the scarcity of adequate data, particularly in Europe (Kahanec et al., 2010; OECD, 2018).

In contrast to the United States, where diverse ethnic populations have led to the creation of large datasets, European studies often rely on national surveys and various methods to determine minority status. The identification of ethnic minorities poses challenges within individual countries and across Europe due to the varying characteristics of these populations (see also Bauer et al., 2001). Some countries have significant ethnic minorities due to post-colonial migration or labor recruitment policies, while others have indigenous minorities or are experiencing increasing migration flows of asylum seekers and refugees.

This study aims to examine inequalities experienced by ethnic minorities in the labor market across European countries using data from the 8th wave of the European Social Survey. The ESS provides valuable information on individual characteristics, labor market outcomes, family background, and a key variable for this study - whether respondents identify as ethnic minority members. This variable helps distinguish between individuals with immigrant backgrounds and those from indigenous minority groups, with self-identification being the preferred method for identifying an individual's ethnic group (United Nations, 2017, ILO, 1989).

The research examines disparities between self-identified ethnic minorities and the majority population, as well as differences within ethnic minority groups based on their individual characteristics and family backgrounds. By overlooking social origins, there is a risk of exaggerating ethnic gaps, as parents with high socioeconomic status are more likely to guide their children towards successful educational and career paths. This could potentially create further challenges for ethnic minorities, especially the offspring of migrants with lower social origins.



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Multilevel models have been estimated where the dependent variable is the individual outcome in society and the labour market in terms of education, income and occupational status. The intercept and coefficient for ethnicity are allowed to vary across regions (random-intercept, random coefficient models): multilevel models allow to explain any variations in the individual outcomes in the labour market with the individual characteristics (age, education, family background and ethnicity) and region-level variables (i.e., unemployment rate and endowment of social capital) simultaneously, while also allowing for the impact of individual characteristics – i.e. minority membership – on the individual outcome to vary across regions.

The paper is set out as follows. Section 2 reviews current literature, section 3 describes the methodology and data used in the analysis, section 4 displays the results; concluding remarks are reported in section 5.

LITERATURE REVIEW

According to the basic theory of labor economics, firms that prioritize profits rationally pay employees based on their marginal productivity. This means that in a competitive labor market that functions well, workers with equal skills – typically represented by education and work experience—have an equal chance of finding employment and earning the same salary.

The issue of labor market discrimination based on race, gender, or ethnicity has received a great deal of attention from empirical studies (Altoniji, Blank, 1999, Radović-Marković, et. al, 2021). These studies have highlighted the existence of ethnic penalties; among them are Cheung and Heath (2007), Hegewisch and Liepman (2013), and Kim (2013), Kananec et al. (2010) and Kahanec and Zimmerman (2010) provide a summary of the findings across European countries.

Neoclassical authors (e.g., Abowd, Killingsworth, 1984; Heckman, 1998; Trejo, 1997) assert that racial and ethnic variations in earnings, jobs, and income are determined by the lower levels of education, work experience, and training among ethnic minorities. Neoclassical theory critics point out, however, that even when skill levels are taken into consideration, racial and ethnic minorities still earn less money than equivalent white workers (Cheung, Heath, 2007, Kim, 2007, Smith, 2012).

Minority job seekers are also less likely to be invited for an interview, according to field tests (see Bertrand, Mullainathan, 2004, OECD, 2013, Neumark, 2016, Zschirnt, Ruedin, 2016). Immigrants with ethnic backgrounds are likely to fare worse than natives in the labor market for a variety of reasons.

First of all, immigrants may not speak the language of the host nation well, which could reduce their productivity in a variety of roles. Second, because their native countries have relatively underdeveloped educational institutions, migrants from less developed nations frequently have low competency levels. Additionally, employers in the host nation could not have appreciated the migrants' skills since they were unable to appropriately identify their international qualifications (OECD, 2013). Furthermore, social networks are seen to be crucial sources of knowledge about job opportunities, but immigrants are less likely to be part of them (see Mortensen, 1986, Granovetter, 1973).

When endogenous ethnic minorities or the descendants of immigrants are taken into account, these arguments, however, do not justify barriers to employment or income because the descendants of immigrants were born in the host community and received their education in the same educational system. In other words, ethnic minorities may be impacted by prejudice and discrimination (Burstein, 1994). Research on employment practices also indicates that businesses choose white employees over black Americans who are comparable to them but not "visible ethnic minorities" (Kirschenman,



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Neckerman, 1991). Another argument might be that employers frequently fall back on outdated prejudices as a result of issues with asymmetric information regarding employees' productivity (for more on this, see Pager, Karafin, 2009).

As was previously indicated, the numerous measures of ethnic disadvantage that are frequently employed in empirical works may capture a variety of reasons that contribute to the poorer socioeconomic accomplishment of ethnic minorities, but they do not always imply racial discrimination. For example, Cheung, Heath (2007) and Phalet, Heath (2007) distinguish between two empirical measures of the ethnic gap: on the one hand, differences between the members of the ethnic minority and the majority population evaluated age and education (net disadvantage); on the other hand, differences in the mean outcome between the ethnic minority and the population majority (gross ethnic disadvantage), which may be biased by unobserved differences in the individual characteristics.

DATA AND METHODOLOGY

Individual data were drawn from the tenth edition of the European Social Survey (ESS8, 2016-2018), carried out in the European regions. The ESS dataset was used for this study due to its wide range of data on household and individual characteristics, as well as a critical variable pertaining to the respondents' self-definition as members of an ethnic minority. This characteristic makes it possible to distinguish between people who are members of autochthonous minority and people with an immigrant background. The most accurate way to determine a person's ethnic group is thought to be by self-identification (see United Nations, 2017, ILO, 1989).

One major limitation of the ESS survey is that, unlike studies that analyze migration issues, ethnic minorities are not over sampled. As a result, the number of observations for working-age members of ethnic minorities is relatively low, making it difficult to make extensive comparisons among different ethnic groups or at the national level. Conversely, studies focusing on certain minority typically don't have a representative sample of the majority population that has the data needed to achieve this goal (OECD, 2019). Considering the constraints of the data, consideration was given to any distinctions that may exist between the majority population and ethnic minorities, as well as whether and to what degree these distinctions are influenced by observable personal and familiar traits.

Multiple linear regression and logit models were estimated, where the dependent variables represent individual performance in the society and labour market; the individual outcome is measured through various indicators. First, individual education is measured in full-time years of schooling. Second, the labour market position is measured distinguishing between employed/self-employed and unemployed people in search of job. In addition, "insecurity in the labour market" is represented by using two distinct questions, defining i) whether the respondents have been unemployed for more than 3 months in the past 5 years and ii) whether they are afraid of losing their job in the following 12 months. Two indicators identify the individual positions in the society, respectively i) individual occupations, coded according to the ISCO classification and ii) a question defining whether respondents live comfortably on their family income.

We take explicitly into account how regional characteristics – in addition to individual factors – may influence individual performances, and that attitudes toward immigrants and immigration policies may vary across regions (Crawley, 2005, Crawley et al., 2013) as a consequence of different cultural and economic characteristics and/or different place-specific immigrant integration policies. Hence, the intercept and coefficient for ethnicity are allowed to vary across regions (random-intercept, random



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coefficient multilevel models). The design weights provided in the ESS data, which correct for country differences in sampling are also applied.

The correlates comprise the following individual characteristics: sex, age, education, place of birth, familial background, and ethnic background. The primary justification for controlling age is that life-cycle factors partially influence individual outcomes; comparing people at different phases of life would yield biased findings. The dummies for sex and the place of birth should highlight any gender gap as well as the effects on individual performances of mobility across countries.

The unemployment rate in each of the European regions included in NUTS-2 and the degree of social capital endowment serve as indicators of the socioeconomic conditions at the regional level. Social capital is widely acknowledged for promoting human contacts and reciprocal action, which facilitates many facets of economic activity. (Colemann, 1988, Putnam, 1993, Knack, Keefer, 1995). Fukuyama (1995) identifies social trust as social capital and underlines its function: "trust acts like a lubricant that makes any group or organization run more efficiently"; some recent works highlight a positive correlation between social trust, social distance and local economic development (Guangyi, 2017).

Thus, the indicators of social trust and social distance available in the ESS survey are included. Social trust is measured through the opinions expressed on the following subjects: "most people can be trusted or you can't be too careful; most people try to take advantage of you, or try to be fair; most of the time people are helpful or they are mostly looking out for themselves". Social distance toward ethnic minorities is proxied by two variables: a first question asked respondents if they would mind having a boss who is an immigrant and belongs to a racial/ethnic minority group; respondents were also asked if they would mind if a close relative married an immigrant who is also member of a racial/ethnic minority. Focusing on social distance is particularly interesting for the aim of this work since it allows to observe whether and to what extent anti-immigrant sentiments vary across European regions. Hence, two exogenous regional indicators of social capital have been drawn from a previous wave of the survey (ESS7).

DESCRIPTIVE STATISTICS

The focus of the paper is on individual outcomes in the labour market, the sample retains individuals aged between 15 to 64 years old. Ethnic minorities' members born in the country of the interview (see Table 1a-b, columns III and VI) should have performances similar to those observed for national majorities' members (Table 1a, columns I and IV) since they grew up and socialized in the same country, whereas first-generation migrants should bear the cost of migration decisions. The descriptive statistics in Table 1b suggest that overall majority population members have better performances in the labour market than ethnic minorities since they are more likely to be employed, are engaged in jobs that require a plenty of communication (and a lower physical burden), and live more comfortably on their present household income.

The observed ethnic disadvantages seem not due to education since ethnic minorities' members born in the host country also have a higher education level than majority members; as expected, the ethnic disadvantages are higher when first generation migrants are included in the sample.

Table1b. Summary statistics- Our Elaborations on ESS data

Variables	Females – mean (std dev.)			Males – mean (std dev.)		
	I National majorities	II Ethnic minorities	III born minorities	IV National majorities	V Ethnic minorities	VI born minorities

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Age	44.502(0.162)	44.156(0.633)	38.383(1.024)	43.977(0.166)	39.285(0.769)	40.375(1.211)
Own education	13.771(0.048)	13.734(0.256)	13.821(0.395)	13.633(0.049)	13.693(0.279)	13.747(0.382)
Mother's education	2.297 (0.024)	2.355 (0.127)	2.336(0.197)	2.282 (0.025)	2.034(0.119)	1.989 (0.151)
Father's education	2.398 (0.028)	2.416 (0.142)	2.177 (0.201)	2.506 (0.029)	2.338 (0.150)	2.178 (0.197)
Mother's occup.	7.274(0.040)	7.348(0.186)	7.247 (0.280)	7.325 (0.041)	8.057 (0.180)	7.625(0.285)
Father's occup.	6.072 (0.034)	6.018 (0.173)	6.292 (0.263)	6.021 (0.036)	6.347 (0.180)	6.537 (0.219)
ISCOlevel	3.982(0.035)	4.651(0.198)	4.085 (0.237)	4.562 (0.039)	5.243 (0.185)	4.768 (0.283)
Household income	1.908 (0.010)	2.113 (0.047)	2.140 (0.075)	1.845 (0.010)	2.074(0.056)	2.079(0.079)
Binary Variables	%			%		
Employment	78.63	72.23	71.88	89.53	85.47	87.30
Unemploy. last 5 yrs	34.77	46.27	43.94	34.44	46.55	41.97
Unemployment risk	33.32	44.09	44.08	28.83	41.82	42.53
n. observations	13.785	743	348	12835	739	351
Legend: Ethnic minorities: respondents who identified themselves as members of ethnic minorities. born minorities: respondents born in the country of the interview who identified themselves as members of ethnic minorities. Education: years of full time schooling. Mother's/father's occupation when respondent was aged 14: 10=not employed; 9: elementary occupation; 8: plant and machine operators and assemblers; 7: craft and related workers; 6: skilled agricultural and fishery workers; 5: service workers and shop and market sales workers; 4: clerks; 3: technicians and associate professionals; 2: professionals; 1=legislators, senior officials and managers. Mother's/father's education is measured according to ISCED classification. Occupational prestige: 9: elementary occupation; 8: plant and machine operators and assemblers; 7: craft and related workers; 6: skilled agricultural and fishery workers; 5: service workers and shop and market sales workers; 4: clerks; 3: technicians and associate professionals; 2: professionals; 1=legislators, senior officials and managers. Household income: respondent's feeling about household's income on a scale 0-3 (0 if living comfortably/coping on present income, 3 if very difficult). Employment: dummy equal to 1 if employed, 0 otherwise. Unemploy. last 5 yrs: dummy equal to 1 if the respondent experienced at least 3 months of unemployment and work seeking in the 5 years preceding the interview, 0 otherwise. Unemployment risk: dummy equal to 1 if the respondent considers very likely unemployment and work seeking in the next 12 months, 0 otherwise.						

Table 1a. Years of schooling – Linear regression model with random intercepts and random slopes

Variables	Coefficients (std errors)			
	No family origins	Full model	Full model	Full model with region-level variables
ethnic minorities	-0.580**(0.221)	-0.255(0.208)	-0.192 (0.221)	-0.190(0.220)
female	0.153*** (0.069)	0.152*** (0.064)	0.168*** (0.073)	0.167** (0.073)
foreign born	-0.595*** (0.197)	-0.513*** (0.171)	-0.474** (0.190)	-0.476** (0.189)
mother's education		0.267*** (0.024)	0.254*** (0.024)	0.254*** (0.023)
father's education		0.282*** (0.023)	0.269*** (0.023)	0.268*** (0.023)
mother's occupation		-0.099*** (0.012)	-0.099*** (0.012)	-0.099*** (0.012)
father's occupation		-0.204*** (0.020)	-0.120*** (0.027)	-0.199*** (0.023)
regional indicators	no	no	no	yes
N. observations	26380	26380	24097	24097
n. parameters	27	36	36	39
n. countries	21	21	19	19
LL random intercepts		-68750.405		-59843.09
LL random coefficients	-70843.006	-68678.873	-59777.542	-59773.671
RE parameters				
sd (ethnic)	1.367(0.174)	1.279(0.181)	1.294 (0.181)	1.283(0.179)
sd (constant)	0.559(0.072)	0.442(0.061)	0.452(0.065)	0.427(0.066)
sd (residuals)	3.498(0.088)	3.224(0.080)	3.197(0.088)	3.197(0.089)
Legend The dependents variable is full-time years of schooling; LL random intercepts: log-likelihood reported for the model including only random intercepts; LL random coefficients: log-likelihood reported for the model including both random intercepts and random slopes. See also legend in Table 3.1. Notes: robust standard errors; sample weights included. Note: Our Elaborations on ESS data				

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RESULTS

Education variable

Since education is a strong predictor of socio-economic status, guaranteeing equal access to education, is necessary to pursue equal opportunities in the labour market. It has therefore been analysed whether and to what extent ethnic origins, other than parents' socioeconomic status, affect educational attainment. The dependent variables are individual education in full-time years of schooling. The results obtained on the whole sample are shown in Table 2.

Table 2. Employment probabilities/versus unemployment – Logit estimates with random intercepts

Variables		Coefficients (std errors) [Odds ratios]				
	No own education	No family origins	No education, no family origins	Full model	Full model	Full with region – level variables
Education		0.225***(0.011) [1.253]		0.172 *** (0.012) [1.187]	0.166 *** (0.013) [1.181]	0.166*** (0.013) [1.182]
ethnic minority	-0.329*** (0.079) [0.719]	-0.364*** (0.079) [0.695]	-0.407*** (0.078) [0.665]	-0.328*** (0.079) [0.720]	-0.375*** (0.093) [0.699]	-0.358*** (0.082) [0.699]
female	-0.921*** (0.039) [0.398]	-0.965*** (0.039) [0.381]	-0.901*** (0.039) [0.405]	-0.963*** (0.039) [0.382]	-0.940*** (0.042) [0.391]	-0.939*** (0.042) [0.391]
foreign born	-0.311*** (0.059) [0.732]	-0.318*** (0.059) [0.728]	-0.305*** (0.058) [0.738]	-0.318*** (0.059) [0.728]	-0.302*** (0.063) [0.739]	-0.302*** (0.063) [0.741]
mother's educ.	0.066*** (0.015) [1.068]			-0.034*** (0.008) [1.041]	0.043*** (0.015) [1.044]	0.042*** (0.015) [1.043]
father's education	0.618*** (0.013) [1.064]			-0.021** (0.009) [1.038]	0.040*** (0.013) [1.041]	0.040*** (0.013) [1.041]
mother's occup.	-0.042*** (0.007) [0.958]			0.040** (0.015) [0.966]	-0.036*** (0.008) [0.964]	-0.036*** (0.008) [0.964]
father's occup.	-0.038*** (0.009) [1.064]			0.040** (0.013) [0.978]	-0.017* (0.009) [0.983]	-0.017* (0.009) [0.982]
Regional indicators	no	no	no	no	no	yes
N. Obs.	23755	23755	23755	23755	21540	22540
n. countries	21	21	21	21	19	19
n. parameters	35	28	27	36	36	38
LL random coeffic.	-9559.905	-9505.9564	-9720.776	-9451.503 -9451.682	-8458.752	-8458.790 -8458.895
LL random intercepts	0.302 (0.037)	0.306 (0.037)	0.316 (0.037)	0.299 (0.037)	0.189 (0.042)	0.193 (0.042)
RE parameter Sd (constant)						

Legend

The dependent variable is a dummy equal to 1 if employed, 0 otherwise. See also Legend in Table 3.1

Note: Our Elaborations on ESS data

A potential problem is that unobserved heterogeneity across the countries could have influenced the results; for this reason country fixed effects have been included in all the specifications of the model and, in the last column, a control for region-level variables (i.e., unemployment rates, social distance and social trust). Dummy variables for foreign born and females also capture any penalties due to recent transition from other countries (emigrants that come back or first-generation immigrants) or to gender discrimination.

Our results can be summarised as follows. When we control for family background, ethnic disadvantages are no longer significant. Parents' education matters on their children's scholastic career, thus highlighting that parents' cultural beliefs and attitudes to education foster children motivation to make effort in school. As expected, there is a statistically significant difference between natives and recent movers to the country of the interview.



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A Likelihood Ratio (LRT) test also suggests that the random coefficient model is appropriate (the log-likelihood functions evaluated for the random coefficient model and for the random intercept are reported only for the full model specification). The main conclusions remain substantially stable when controlling for region level variables in the last column; once again, a Likelihood Ratio (LRT) test suggests that the random coefficient model is appropriate.

Employment status

This section focuses on individual unemployment probabilities and interprets the differentials in these probabilities between self-identified ethnic minorities and majority population members as measures of integration in the EU-countries. The selected sample includes working-age population, aged 15 to 64, excluding anyone who is disabled, member of the military, a student or retired. The unemployment rate is the proportion of people who are employed (vs unemployed) in the labour force.

Table 2 reports the estimates of employment probabilities; a multilevel logit model with intercept random to account for heterogeneity at region level is the final specification of the model. The results in the third column show that minorities experience probabilities of employment lower than national majorities, particularly if female and foreign born; the coefficient on “ethnic minority” is shared by all the European regions, but regions vary in their intercept.

Both individual education and family background explain part of the observed ethnic penalties (in the fourth column), but the probabilities of being employed are still lower than those observed for the national majority members. Finally, the inclusion among the correlates of region-level variables in the last column does not improve significantly the explicative power of the model.

The observed unemployment probabilities may reflect both a high risk of being unemployed and a low probability of exiting unemployment; even if a micro-econometric analysis of unemployment dynamics is beyond the aim of this study, the probability of having been unemployed for long periods (at last three months) in the previous five years and the probabilities of exiting employment in the following year were also focused on. Both of the last indicators are useful in order to highlight insecurity at work.

When considering the unemployment probabilities in the previous five years in Table 3, the results highlight that the gross ethnic disadvantage shown in the fourth column cannot be entirely explained by differences in individual characteristics even if controlling for own education and family background reduces the ethnic differentials. As expected, first generation migrants/movers from other countries experience higher difficulties of being employed in the previous 5 years (in the host country as well as in another country). The results remain substantially the same when including the region-level (i.e., the regional indicators of social trust and social distance) variables in the last column. A likelihood ratio test suggest that the random intercept model is appropriate.

Table 3. Employment status in the last 5 years – Logit estimates with random intercepts.

Variables		Coefficients (std errors) [Odds ratios]				
	No own education	No family origins	No family origins, no own education	Full model	Full model	Full model with region-level variables

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Education		-0.103***(0.008) [0.902]		-0.069***(0.008) [0.933]	-0.071***(0.008) [0.932]	-0.070***(0.008) [0.932]
ethnic minority	0.379***(0.059) [1.461]	0.415***(0.059) [1.514]	0.414***(0.058) [1.512]	0.364***(0.075) [1.439]	0.414***(0.061) [1.513]	0.417***(0.061) [1.518]
female	0.018(0.026) [1.018]	0.039 (0.026) [1.040]	0.017(0.026) [1.016]	0.032(0.026) [1.032]	0.044*(0.028) [1.045]	0.044(0.027) [1.045]
foreign born	0.338***(0.045) [1.401]	0.355***(0.045) [1.425]	0.339***(0.044) [1.404]	0.351***(0.045) [1.419]	0.320***(0.046) [1.377]	0.325***(0.047) [1.384]
mother's educ.	-0.032*** (0.010) [0.969]			-0.021** (0.010) [0.978]	-0.022** (0.010) [0.978]	-0.022** (0.010) [0.978]
father's education	-0.049*** (0.009) [0.952]			-0.040*** (0.009) [0.960]	-0.042** (0.009) [0.959]	-0.042* (0.009) [0.959]
mother's occup.	0.013** (0.005) [1.013]			0.010* (0.005) [1.010]	0.011* (0.006) [1.011]	0.011** (0.006) [1.011]
father's occup.	0.020*** (0.006) [1.020]			0.013** (0.006) [1.013]	0.011* (0.007) [1.011]	0.011* (0.007) [1.011]
Regional indicators	no	no	no	no	no	yes
N. Obs.	27105	27105	27105	27105	24717	24717
n. parameters	35	28	27	36	36	38
n. countries	21	21	21	21	19	19
L.L. random interc.	-16385.292	-16839.805	-16947.347	-16781.717 -16780.961	-15315.91	-15311.589 -15311.145
LL. random coeff.	0.241(0.028)	0.238 (0.028)	0.247(0.028)	0.236(0.027)	0.208 (0.028)	0.184(0.027)
RE parameter Sd (constant)						

Legend

The dependent variable is a dummy equal to 1 if the respondent experienced at least 3 months of unemployment and work seeking in the 5 years preceding the interview, 0 otherwise. See also legend in Table 3.1

Note: Our Elaborations on ESS data

The probability of becoming unemployed in the following year (as declared by the respondents) is analysed in Table 4. Familiar background significantly improves respondents' labour perspectives (the full specification model is reported in the fourth column), but once again there are still unexplained ethnic penalties. First generation migrants experience even higher rates of precariousness whereas lower differences emerge between native males and females. The inclusion of region level variables (social trust and social distance) does not improve the explicative power of the model in the last column; the final estimates rely on a random coefficient model.

Table 4. Fear losing job - logit estimates with random intercepts and random slopes

Variables	Coefficients (std errors) [Odds ratios]					
	No own education	No family origins	No family origins, no own education	Full model	Full model	Full model with region-level variables
Education		-0.185***(0.008) [0.831]		-0.151***(0.009) [0.859]	-0.145***(0.009) [0.865]	-0.145***(0.009) [0.865]
ethnic minority	0.325***(0.088) [1.384]	0.377***(0.087) [1.458]	0.391***(0.087) [1.384]	0.344***(0.088) [1.411]	0.377***(0.091) [1.458]	0.378***(0.091) [1.460]
female	0.229***(0.027) [1.253]	0.266***(0.027) [1.305]	0.225***(0.027) [1.256]	0.259***(0.027) [1.296]	0.245*** (0.028) [1.278]	0.245***(0.029) [1.278]

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foreign born	0.464***(0.046) [1.594] -0.046***(0.010) [0.955]	0.480***(0.046) [1.618]	0.461***(0.046) [1.588]	0.481***(0.046) [1.618] -0.025***(0.010) [0.975]	0.434***(0.049) [1.548] -0.025***(0.011) [0.976]	0.436***(0.049) [1.549] -0.025***(0.011) [0.976]
mother's educ.	-0.040***(0.009) [0.960] 0.015***(0.006) [1.015]			-0.021***(0.009) [1.027] 0.009(0.006) [1.009]	-0.022***(0.009) [0.978] 0.011*(0.006) [1.011]	-0.022***(0.009) [0.978] 0.011*(0.006) [1.011]
father's education	0.040***(0.007) [1.041]			0.027***(0.007) [1.027]	0.027***(0.007) [1.028]	0.027***(0.007) [1.028]
mother's occup.	no	no	no	no	no	yes
father's occup.						
N. Obs.	28873	28873	28873	28873	26304	26304
n. countries	21	21	21	21	19	19
n. parameters	35	28	27	36	36	38
L.L.	-16353.027	-16234.135	-16505.216	-16188.714	-14774.339	-14773.851
random				-16204.407		-14789.477
coeff.	0.216(0.026)	0.214 (0.026)	0.23 (0.027)	0.209(0.025)	0.180(0.027)	0.177(0.027)
L.L.	0.404(0.085)	0.392 (0.085)	0.403(0.087)	0.398(0.085)	0.401(0.088)	0.400(0.088)
random						
interc.						
RE						
parameter						
s						
Sd						
(constant)						
Sd (ethnic)						

Legend

The dependent variable is a dummy equal to 1 if the respondent considers very likely unemployment and work seeking in the next 12 months, 0 otherwise. See also legend in Table 3.1
Note: Our Elaborations on ESS data

Socioeconomic conditions

The analysis of the labour market status provides incomplete information to evaluate the welfare consequences of ethnic differences in the society. Any differences may arise in relation to the type of job (e.g., migrants are more likely to accept jobs that do not correspond to their educational qualification) or because minorities experience lower earnings than majority members. This section focuses on two additional indicators, economic conditions and the ISCO classification of a given job. Likelihood ratio tests suggested to retain both random intercept and random slope in the final specification of the model (as above, the log-likelihood values reported, respectively, for the random intercept model and for the random coefficients model are shown only for the full model specification).

Table 5. focuses on economic conditions: the respondents' during the interview revealed their feelings about the household income on a scale from 1 (living comfortably on present income) to 4 (very difficult). The estimates are based on a linear random intercept model; binary and ordered logit estimates have also been considered in previous estimates. According to the results in the third column, the ethnic gap is lower when controlling for individual education and family background. Family origins explain most of the observed gap between ethnic minorities and national majorities. For immigrants, as expected, the economic conditions are even lower. The estimates remain substantially the same when including the region-level variables.

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Table 5. Economic conditions - linear multilevel model with random intercepts and random slopes

Variable	Coefficients (std errors) [odds ratios]					
	No owneducation	No family origins	No family origins, no own education	Full model	Full model	Full model with region-level variables
education		-0.035***(0.007)		-0.025(0.005)	-0.023***(0.006)	-0.023***(0.006)
ethnic minority	0.239***(0.040)	0.276***(0.041)	0.265***(0.042)	0.232***(0.040)	0.235***(0.042)	0.234***(0.042)
female	0.056***(0.013)	0.060***(0.014)	0.059***(0.014)	0.057***(0.013)	0.062***(0.014)	0.062***(0.014)
born abroad	0.222***(0.029)	0.239***(0.031)	0.238***(0.032)	0.222***(0.029)	0.199***(0.029)	0.199***(0.029)
mother's educ.	-0.030***(0.005)			-0.027***(0.004)	-0.024***(0.004)	-0.024***(0.004)
father's education	-0.034***(0.005)			-0.032***(0.004)	-0.031***(0.004)	-0.030***(0.004)
mother's occup.	0.009***(0.003)			0.009***(0.003)	0.007*(0.003)	0.007*(0.003)
father's occup.	0.031***(0.003)			0.029***(0.004)	0.028***(0.004)	-0.030***(0.004)
regional indicators	no	no	no	no	no	yes
N. Obs.	29436	29436	29436	29436	26801	26801
n. countries	21	21	21	21	19	19
n. parameters	35	28	27	36	36	38
LL random coeff.	-32820.593	-33379.804	-33709.692	-32655.585	-28069.378	-28054.946
LL random interc.				-32721		-28123.237
RE parameters						
Sd(constant)	0.113(0.013)	0.117(0.012)	0.121(0.013)	0.112(0.013)	0.095(0.012)	0.074 (0.010)
Sd(ethnic)	0.304(0.038)	0.301(0.035)	0.316(0.036)	0.292(0.037)	0.299(0.038)	0.299(0.038)
Sd (residual)	0.719(0.011)	0.732(0.012)	0.740(0.012)	0.715(0.011)	0.706(0.011)	0.706(0.011)
Legend						
Dependent variable is respondent's feeling about household's income on a scale 0-3 (0 if living comfortably/coping on present income, 3 if very difficult). See also legend in Table 3.1. Notes: robust standard errors; sample weights included.						
Note: Our Elaborations on ESS data						

Finally, Table 6. focuses on occupational status; relying on the ISCO classification, the considered levels are the following: 9: elementary occupation; 8: plant and machine operators and assemblers; 7: craft and related workers; 6: skilled agricultural and fishery workers; 5: service workers and shop and market sales workers; 4: clerks; 3: technicians and associate professionals; 2: professionals; 1: legislators, senior officials and managers. The results are based on the estimation of a liner random coefficient model, with the slope varying across regions.

Table 6. Occupational-ISCO level – Linear multilevel model random intercepts and random slopes

Variable	Coefficients (std errors)					
	No owneducation	No family origins	No family origins, no own education	Full model	Full model	Full model with region-level vars
education	-	-0.209***(0.054)		-0.163***(0.045)	-0.162***(0.049)	-
ethnic minority	0.163(0.145)	0.418***(0.153)	0.324***(0.137)	0.262*(0.151)	0.306***(0.155)	0.161*** (0.050)
female	-0.546*** (0.057)	-0.536*** (0.063)	0.962*** (0.122)	-0.523*** (0.058)	-0.503*** (0.062)	0.309** (0.155)
born abroad	0.924*** (0.0111)	0.970*** (0.118)	0.575*** (0.062)	0.934*** (0.108)	0.846*** (0.107)	-
mother's education	-0.129*** (0.020)			-0.523*** (0.058)	-0.104*** (0.021)	0.503*** (0.062)
father's education	-0.149*** (0.019)			-0.134*** (0.020)	-0.134*** (0.020)	0.852*** (0.108)
mother's occupation	0.051*** (0.009)			0.045*** (0.009)	0.044*** (0.010)	-
father's occupation	0.136*** (0.013)			0.114*** (0.013)	0.109*** (0.013)	0.104*** (0.021)
Regional indicators	no	no	no	no	no	-
N. Obs.	19543	19543	19543	19543	17864	17864
n. countries	21	21	21	21	19	19
n. parameters	35	28	27	36	36	38
LL random coeff.	-42544.386	-42916.976	-43660.537	-42056.406	-36904.634	-36898.400
LL random intercept				-42100		-36937.971
RE parameters	0.233(0.036)	0.463(0.039)	0.319(0.045)	0.218(0.034)	0.229(0.035)	0.199(0.030)



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Sd (constant)	0.843(0.209)	0.957(0.150)	0.742(0.140)	0.920(0.191)	0.910(0.195)	0.894(0.197)
Sd (ethnic)	2.189(0.023)	2.226(0.036)	2.318(0.027)	2.134(0.029)	2.137(0.032)	2.127(0.032)
Sd(residuals)						
Legend						
Dependent variable Occupation (ISCO level): 9 farm worker; 8=unskilled worker;...2= higher administrator occupation; 1=professional and technical occupation (ISCOclassification). See also legend in Table 3.1. Notes: robust standard errors; sample weights included.						
Note: Our Elaborations on ESS data						

Ethnic minorities are more likely to be engaged in job characterized by a higher physical burden. Family background explains much of this gap since its omission in the second column increases the ethnic gap. Not surprisingly, the coefficient for individuals born abroad is very high; as mentioned above, migrants may lack fluency in the language of the host country, and this may explain why they are allocated in positions that do not require a plenty of communication. Secondly, migrants coming from less developed countries have often low competencies since the educational systems in their home country is usually quite limited, or more simply, employers in the new country may be unable to properly evaluate their scholastic qualifications (OECD, 2013); however, when immigrants can rely on family support, their disadvantage goes down.

CONCLUSION

The analysis in the previous sections reveals the presence of sizeable differences in the socio-economic achievement comparing self-identified ethnic minorities and national majorities across European countries. The observed ethnic penalties cannot be entirely attributed to migration difficulties since even native ethnic minorities experience disadvantages in the labour market. One possibility is that the observed "ethnic penalties" may reflect differences in human capital and family socioeconomic conditions. In the reported estimates, own education improves individual probabilities of employment; with respect to education, no significant differences are observed between minority groups and national majorities when family origins are taken into account; with respect to employment probabilities, the observed ethnic disadvantage is slightly lower when controlling for family background. This draws further attention on the low intergenerational mobility in Europe.

Overall, when controlling for own education, family background and place of birth, sizeable ethnic penalties remain. It is possible to admit the presence of discriminatory behaviour in the labour market, varying across the different European regions; much of the heterogeneity across regions is explained by social capital indicators – i.e., social trust and social distance –other than by local unemployment rates. Nonetheless, we are unable to conclusively link prejudice to the noted ethnic disadvantages.

One potential problem is that the observed variables were not a good indicator of the individual's and the family's background. For instance, an individual's education did not fully explain their productivity at work, and parents from similar socioeconomic backgrounds might have different access to social networks. Reports of ethnic gaps may be biased if the unexplained heterogeneity among people was associated with their ethnic origins (and the direction of the bias would not be contested). Secondly, self-identified minorities, such as native ethnic minorities who have not fully assimilated, could make their disadvantage worse. However, it is important noting that the observed ethnic disparities are sizeable, too large to be fully explained only by measurement issues.



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